

**BERKS COUNTY CONVENTION CENTER AUTHORITY  
MINUTES OF THE REGULAR MEETING OF  
THURSDAY, AUGUST 18, 2011**

The regular meeting of the Board of Directors (the “Board”) of the Berks County Convention Center Authority (the “Authority”) was called to order at 7:00 a.m. in the SMG Board Room, the Sovereign Center, 700 Penn Street, Reading, Pennsylvania.

The following members were present:

Mr. P. Michael Ehlerman  
Mr. Michael Fiucci  
Mr. Carl Herbein  
Mr. Burlee Adams  
Mr. Albert Boscov  
Mr. John Ernesto

The meeting was chaired by Mr. P. Michael Ehlerman.

Also present:

Mr. Zane Collings, SMG  
Thad Gelsinger, Esquire, Leisawitz Heller Abramowitch Phillips, P.C.  
Ms. Hope Parkin, SMG  
Mr. Matt Salkowski, SMG  
Mr. Donald Spatz, Reading Eagle  
Mr. Mark Wallace, Reading Royals  
Ms. Stephanie Hackash, Reading Royals

Mr. Brian D’Amico was absent.

The Chairman declared that a quorum was present and proceeded with the meeting.

There were no comments from the public.

Upon a motion duly made and seconded, the minutes of the regular meeting of the Board of June 16, 2011 were unanimously approved.

**TREASURER’S REPORT**

**Budget**

Mr. Herbein distributed the budget for the Fiscal Year ending June 30, 2012. It was noted that the Board has merged the facilities, the Reading Royals and the food/beverage services into one consolidated budget for FY 2012. For FY 2012, the budget estimates a projected loss of \$11,619 for the facilities/food and beverage services, a projected loss of \$356,513 for the Reading Royals and a projected combined loss of \$368,132.

### Treasury Report

Mr. Herbein distributed and reviewed the two-month treasury report for the financials of June and July 2011. Mr. Herbein reviewed the opening and closing balances as well as the statements of account of the Authority. Mr. Herbein pointed out that as of July 31, 2011 the Authority had a cash balance of just over \$1,500,000. The decrease in the cash balance of the Authority from the previous meeting was due to the \$500,000 purchase of a 50% interest in the Reading Royals. Mr. Herbein reported that the Authority and the Reading Royals sustained unaudited losses of \$197,000 and \$295,000, respectively, for FY 2011.

Mr. Herbein commented that the hotel tax receipts increased for May, but for the first time the hotel tax receipts decreased in June as compared to the 2010 figures. The hotel tax receipts were approximately \$105,300 and \$114,900 for May and June 2011, respectively.

Mr. Herbein advised that the audit for FY 2011 was in process. Mr. Herbein also noted that the financial reporting will be expanded for FY 2012 to provide the Board with more detailed information on the Authority's financials.

Upon a motion duly made and seconded, it was unanimously moved to approve all the bills paid within the period and to pay all bills listed that had been unpaid during this period as well, including all bills associated with the purchase of an interest in the Reading Royals. Further, upon a motion duly made and seconded, the Treasurer's Report was approved.

### SOLICITOR'S REPORT

Mr. Gelsinger stated that there was no significant legal activity since the last meeting.

### MANAGEMENT REPORT

Mr. Salkowski addressed the status of capital improvements. Mr. Salkowski reported that the fence repair, parking lot restriping and office work has or will be handled in house and the cost of all capital improvements will fall within the \$50,000 budget.

Mr. Collings provided a handout concerning the economic impact for the facilities and Reading Royals for the past ten years. He noted that this chart addressed operations only and does not include the bonds, debt service, etc. which must be added to give the total picture.

Mr. Collings provided an update on the status of the 10<sup>th</sup> anniversary events. He provided a list of events that have been secured and reported that, to date, SMG has spent \$27,000 of the \$100,000 allocated for the 10<sup>th</sup> anniversary celebration.

Mr. Collings reported that season ticket renewals for the Reading Royals are currently at 88% and that SMG has 6 salespeople continuing to push these renewals and other fundraising/promotional programs. Mr. Collings presented the Board with a target list containing sponsors and/or season ticket holders from previous years who have not renewed their support for the current year. Mr. Collings also presented the Board with a draft letter that SMG is proposing to send to these companies/individuals in an effort to get more parties to commit for the current year.

## NEW BUSINESS

Mr. Ehlerman advised the Board that SMG was contacted by Doug Yingst, the general manager of the Hershey Bears, who expressed interest in purchasing the other 50% of the Reading Royals. Mr. Ehlerman reminded the Board that the Board has a right of first refusal to purchase the other 50% of the Reading Royals for the next 5 years. After discussion, the Board agreed to enter into preliminary discussions with Mr. Yingst regarding the remaining 50% interest in the Reading Royals.

There being no further business before the Board at the public session, the Chairman announced that the next regular meeting of the Board would be held at the Sovereign Center at 7:00 a.m., Thursday, October 20, 2011. At 8:00 a.m., upon a motion duly made and seconded, the Board unanimously resolved to adjourn.